

May 13, 1957

Subject: CONTRACT SP-1914

Dear Doug:

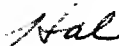
Recently we have sent to you our Invoices 2-8 and 3-7 covering deliveries of Spare Parts and Ground Handling Equipment. As explained in your letter No. 15243, Invoice 2-8 had not been paid because of the lack of receiving and acceptance reports. Presumably Invoice 3-7 is awaiting the same confirmation. We intend to supply you in the future with a receipted copy of the shippers referenced on the DD Form 250 when we issue our invoice. We shall continue to send unreceipted copies to you independent of the invoicing, as has been our practice. Will this be satisfactory to you?

The above procedure will also apply to future billings for "Spare Parts not included in the Spare Parts Exhibit" and "Miscellaneous Accommodation Items" such as invoiced on our 2-9 and 3-8.

Regarding invoices 2-8 and 3-7 we have an additional problem. Pricing of the individual shippers is accomplished by personnel not under my jurisdiction, and I find that they have not consistently used the approved priced exhibit prices shown in the Spare Parts and Ground Handling Equipment Exhibit when pricing shippers. Consequently, we have invoiced you, based on the prices shown on the shippers, for prices other than those shown on the exhibit. I have discovered that our people in pricing the shippers, have, due to increased Spares quantity requirements, been averaging prices over two-lot purchases instead of using the prices in the Spares Exhibit. This method is contrary to normal Company practice and has been stopped. Changes of this nature will be normally reflected at the time the contract price is redetermined. I also noted that certain additional items, not on the approved Exhibit, have been shipped and priced on the referenced invoices, but these items have not been formally sent to the Contracting Officer for approval as an addition to the Exhibit.

We are in the process now of investigating these differences and will soon issue adjusting invoices to correct any prices previously used that are not on the priced Exhibit. In the instance of added items, we will forward to the Contracting Officer for approval formal changes to the Exhibit. I regret that these things have occurred and trust you will bear with us until they are corrected.

Yours very truly,


Hal